

## Message Text

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ACTION COME-00

INFO OCT-01 EUR-25 ADP-00 EB-11 CIAE-00 INR-10 NSAE-00

RSC-01 RSR-01 ( ADP ) W

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R 151248 Z MAY 73

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 4337

UNCLAS PRAGUE 1041

FOR COMMERCE

3. 9. 11652: N/A

TAGS: BEXP, EIND, CZ, US

SUBJECT: LICENSING OPPORTUNITY - VITKOVICE STEEL  
AND MACHINERY WORKS

REF: K A) 10 FAM 948.4-3; ( B) PRAGUE A-73 OF MAY 11, 1973

1. AS REPORTED REF ( B), MANAGEMENT VITKOVICE STEEL AND MACHINERY WORKS INTERESTED IN PURCHASING LICENSE IN U. S. FOR CONSTRUCTION TECHNOLOGY AND OPERATING KNOW- HOW APPLICABLE TO ONE TRIAL BOTTOM- BLOWN BASIC OXYGEN CONVERTER ( KNOWN AS Q- BOF) WITH CAPACITY OF 120 TO 150 TONS. STEEL- WORKS AT VITKOVICE, ONE OF FOUR MAJOR STEEL PRODUCING CENTERS IN CZECHOSLOVAKIA, CURRENTLY CAPABLE OF PRODUCING 1.5 MILLION METRIC TONS CRUDE STEEL PER ANNUM, ALL BY OPEN- HEARTH PROCESS. WORKS MANAGERS CURRENTLY PLANNING RECONSTRUCTION OF STEELMAKING FACILITIES AND ARE PREPARED INVESTIGATE ALL AVENUES LEADING TO INCREASED PRODUCTIVITY, INCLUDING Q- BOF PROCESS, WHICH REPORTEDLY ALLOWS FOR INSTALLATION OF BASIC OXYGEN CONVERTERS IN OLD OPEN- HEARTH PLANTS WITHOUT COSTLY RENOVATION OR RECONSTRUCTION.

2. IN LETTER TO EMBASSY, FOLLOWING EMBOFF' S VISIT REPORTED REF ( B), GENERAL MANAGER OF VITKOVICE, ING. RUDOLF PESKA, HAS REQUESTED FULL INFORMATION ON Q- BOF  
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PROCESS FROM PROSPECTIVE LICENSORS IN U. S. INCLUDING  
FOLLOWING DETAILS:

A. ARE LICENSES ON THIS PROCESS PRESENTLY AVAILABLE  
TO FIRMS IN CZECHOSLOVAKIA ?

B. IF NOT, WHAT WOULD BE CONDITIONS UNDER WHICH  
LICENSES COULD BE SOLD?

C. TO WHAT EXTENT IS PROCESS SUITABLE FOR MAKING  
HIGH- GRADE CARBON AND ALLOY STEELS?

D. ALL AVAILABLE DATA ON UTILIZATION AND FEASIBILITY  
OF PROCESS WHEN ONLY STEELMAKING GRADE PIG IRON IS USED.

3. WHAT PROVISIONS ARE THERE FOR DUST POLLUTION  
CONTROL, ESPECIALLY IN CONVERTER TILTING PHASE?

F. HOW FEASIBLE, IN FACT, IS POSSIBILITY OF INSTALLING  
Q- BOF CONVERTERS IN LOW FACTORIES NORMALLY USED TO  
HOUSE OLD OPEN- HEARTH FURNACES?

G. WHAT WOULD BE LIKELY RANGE OF LICENSE FEES AND/ OR  
ROYALTIES PAYABLE ON ONE 120- TON TO 150- TON TRIAL  
CONVERTER?

H. WHAT GUARANTEES COULD BE OFFERED BY LICENSOR AS  
TO OUTPUT RATE AND TECHNOLOGICAL PARAMETERS OF EQUIP-  
MENT CONSTRUCTED UNDER LICENSE?

3. PESKA EXPRESSES SPECIAL INTEREST IN PROCESSES  
DEVELOPED BY U. S. STEEL CORPORATION,  
AND FAIRFIELD MACHINE COMPANY OF OHIO. TO EMBASSY'S  
KNOWLEDGE, HOWEVER, ONLY U. S. STEEL CORPORATION HAS  
PROPRIETARY RIGHTS AS DEVELOPER Q- BOF PROCESS. COMMERCE  
IS REQUESTED TO GIVE THIS LICENSING OPPORTUNITY APPROPRIATE  
DISTRIBUTION WITHIN U. S. INDUSTRY.

4. INTERESTED LICENSORS SHOULD SEND DESIRED INFORMATION  
DIRECTLY TO ING. RUDOLF PESKA, GENERAL MANAGER, VITKOVICE  
ZELEZARNY A STROJIRNY KLEMENTA GOTTWALDA, NARODNI PODNIK,  
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70602 OSTRAVA 6, CZECHOSLOVAKIA. TELEX: 52415 VZKG C.  
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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973PRAGUE01041  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** PRAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730544/aaaajfkn.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE  
**Office:** ACTION COME  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** K, 10 FAM 948.4-3, 73 PRAGUE A-73 OF MAY 11, 1973  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** kellerpr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22-Oct-2001 by kuehnbc0>; APPROVED <04-Jan-2002 by kellerpr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 980213  
**Subject:** LICENSING OPPORTUNITY - VITKOVICE STEEL AND MACHINERY WORKS  
**TAGS:** BEXP, EIND, CZ, US  
**To:** COME  
**SECSTATE WASHDC**  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005